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HOUSE BILL 963

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Daniel R. Foley

AN ACT

RELATING TO MEDICAID; CREATING A CONSUMER-DRIVEN MEDICAID
BENEFIT PACKAGE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Public Assistance Act is
enacted to read:

"~~[NEW MATERIAL]~~ MEDICAID--CONSUMER-DRIVEN BENEFIT
PROGRAM.--

A. The department shall develop a consumer-driven,
calendar-year-based benefit program for beneficiaries entitled
to medicaid benefits pursuant to Title 19 or Title 21 of the
federal Social Security Act. The program shall include:

(1) a benefit amount not to exceed the average
cost for a medicaid beneficiary, not including beneficiaries
enrolled in a medicaid waiver program, two years prior to the

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1 year in which the benefit amount is made effective; provided
2 that the benefit amount may be adjusted for inflation, economic
3 and geographic factors;

4 (2) a prorated benefit amount for a
5 beneficiary that becomes eligible after January 1 of any year;

6 (3) an annual patient cost-sharing amount,
7 applied through any combination of deductible, copayment,
8 coinsurance or other patient cost-share, not to exceed twenty
9 percent of the benefit amount pursuant to Paragraphs (1) and
10 (2) of Subsection A of this section; provided, however, that
11 the cost-sharing amount may be lower than twenty percent as
12 determined by the department based on a sliding schedule that
13 takes the beneficiary's household income into consideration;

14 (4) an eligibility card that is electronically
15 readable and provides the beneficiary, upon enrollment, with
16 the amount determined in Paragraph (1) or Paragraph (2) of this
17 subsection;

18 (5) an exemption from the patient cost-sharing
19 amounts, except for a nominal copayment, for preventive care
20 services as determined by department rule;

21 (6) a benefit package that is equal to the
22 benefits mandated by federal law; provided, however, that
23 additional benefits may be provided if the department can
24 demonstrate that the additional benefits will provide a cost-
25 benefit to the state and that the program is and will continue

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1 to be actuarially sound with the additional benefits; and

2 (7) an exemption for medicaid beneficiaries
3 that are covered under a waiver program for disabled and
4 elderly, developmentally disabled, medically fragile or human
5 immunodeficiency virus or acquired immunodeficiency syndrome
6 patients.

7 B. The general services department shall provide
8 administrative support similar to that provided for state
9 employees through contracts with a third party administrator
10 for enrollment, claims payment, customer service, provider
11 networks, case or disease management and related activities.

12 C. Any balance remaining on an eligibility card at
13 the end of a calendar year shall roll over to the next calendar
14 year if the beneficiary remains eligible; provided, however,
15 that the beneficiary shall not accumulate a balance greater
16 than five times the benefit amount for the current calendar
17 year and the eligibility card shall not contain a balance
18 greater than two times the benefit amount for the current
19 calendar year; and provided further that the beneficiary may
20 access the accumulated balance upon verification of eligibility
21 and service.

22 D. A beneficiary who has exhausted the current
23 year's and any accumulated balance and has met the annual cost-
24 sharing amount but continues to meet eligibility criteria shall
25 continue to be enrolled in the medicaid program under a

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1 benefits-exhausted status for that year; provided that, if the
2 patient receives services from a medicaid-participating
3 provider, the provider shall not collect from the patient an
4 amount greater than the medicaid-allowable amount.

5 E. The department may, by rule, provide for
6 exceptions to benefit limits or cost-sharing provisions for
7 beneficiaries that experience catastrophic illnesses or
8 financial hardship.

9 F. The department shall provide educational
10 materials, regional workshops, customer service, online
11 information and ongoing health care consumer training that
12 provides information on health care services, cost-sharing
13 requirements, benefit limitations, planning, preventive care,
14 financial implications and other health care considerations to
15 ensure that medicaid beneficiaries make the most appropriate
16 use of health care services and financing."

17 Section 2. TEMPORARY PROVISION.--By October 1, 2005, the
18 human services department shall, for implementation of this
19 2005 act:

20 A. request a waiver from and submit a state
21 medicaid plan to the centers for medicare and medicaid services
22 of the federal department of health and human services;

23 B. provide its policy and legislative
24 recommendations to the interim legislative health and human
25 services committee; and

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C. provide its financing and budget findings,
implications and recommendations to the legislative finance
committee.